

Corn and soybean futures were under pressure all week, principally due to the fact that the tighter carryover and lower production numbers reported in the USDA report were not as bullish as traders hoped and so there was a large sell off. The good news is that despite this drop, basis for corn, wheat and beans spiked upward in our region, offsetting this price drop. The bad news is that the cause of this is much lower yields here. Corn is forecast at 33.2 million bushels (down 47% on the year), while beans are forecast to be at 10.6 million bushels (down 47 also). These reductions are much greater than nationwide reductions – hence the spike in prices here. Corn was the weakest item on the board toward the end of the week, with prices falling to their lowest level in two weeks. Interestingly two weeks ago we saw the funds buying up an enormous number of contracts and this week we saw a quantitatively equivalent sell off from the funds. These players are obviously driving the market. As suggested a couple of weeks ago – when funds buy up contracts, be concerned about a huge turnaround if government estimates don’t hit their target! This week’s export sales for corn looked well with totals, exceeding all pre-report estimates. If corn yield estimates continue to be bad, we could see a move higher soon. If not, expect the usual harvest slump in the market. Technical pressure was a big driver behind the soybean price plummet at the start of the week and when the funds started to liquidate (and there was no fresh news), there was little that could be done to slow things down. Some support did start to kick in later over the tight U.S. balance sheet and concerns over yields. Talk of China slowing exports from the U.S. was an issue on the floor mid week, but the rule would be implemented in December, so that is still a long way off. Like corn, soybeans enjoyed a decent week on the export front. This week, wheat overcame the huge downward spin we saw last week and exhibited some fairly impressive daily performances. The supply side problems in Canada have been known for quite a while but this still impacts the market. Technically the biggest feature on the trading floor relates to wheat bull spreading, whereby we see weakness (sell off’s) in the new crop (July ’03) and strength (buying) in the nearby contract. Why? Traders see an improvement in the winter planting outlook. Wheat exports did not buck the export trend this week with impressive numbers coming in there too.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep02)	NEW (Dec02)	CASH (Sep02)	NEW(Nov02)	CASH(Sep02)	NEW(Jul03)
Baltimore	n/a	n/a	-\$.19	-\$.19	n/a	n/a
Western MD	+\$.35	n/a	-\$.13	n/a	-\$.25	n/a
Central MD	+\$.20	+\$.12	-\$.19	-\$.22	+\$.22	-\$.12
Southern MD	+\$.19	n/a	-\$.07	n/a	-\$.12	-\$.19
Upper E. Sh	+\$.34	+\$.30	-\$.07	-\$.07	-\$.12	-\$.14
Lower E. Sh	+\$.36	+\$.35	+\$.03	+\$.03	-\$.11	-\$.13

WEEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Last week started out dry with some showers by week’s end, giving Maryland farmers an average of 6.2 **days suitable for fieldwork**, which they took advantage of to advance harvesting activities. The drier part of the week allowed farmers to advance **corn** harvested for grain and silage. **Grain harvest** is 19 percent complete, 8 percent ahead of last year, and 6 percent ahead of the five year average. Corn **harvested for silage** is 80 percent complete, 26 percent ahead of last year, and 32 percent ahead of the average. Corn conditions are rated 1 percent excellent, 10 percent good, 15 percent fair, 27 percent poor, and 47 percent very poor. The dry conditions caused soil moisture levels to decline. **Topsoil** for Maryland is rated 1 percent surplus, 38 percent adequate, 42 percent short, and 19 percent very short. Eighteen percent of **subsoil** is rated in adequate supply, 45 percent short, and 37 percent very short.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/11	09/18	09/11	09/18	09/11	09/18	09/11	09/18
Baltimore	----	----	5.81	5.45	----	----	----	----
Western Md	2.92	3.02	5.67	5.51	3.80	3.70	1.55	1.30
Central MD	3.01	2.87	5.56	5.45	3.82	4.17	1.50	1.50
Southern MD	2.98	2.88	5.69	5.57	3.84	3.83	----	1.45
Upper E. Sh	3.10	3.01	5.84	5.57	3.84	3.83	----	----
Lower E. Sh	3.20	3.03	5.93	5.67	3.85	384	1.42	1.65

Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)	
Date	09/11	09/18	Date	09/11	09/18
48% Soybean Meal	225.00	220.00	44% Soybean Meal	213.00	208.00

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer’s Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/11	09/18	09/11	09/18	09/11	09/18	09/11	09/18
Baltimore	----	----	5.61	5.45	----	----	----	----
Western Md	----	----	----	----	----	----	----	----
Central MD	3.01	2.80	5.56	5.42	3.85	3.38	----	----
Southern MD	2.98	----	5.69	----	3.40	3.31	---	----
Upper E Shore	3.11	2.98	5.72	5.57	3.45	3.36	1.60	1.60
Lower E Shore	3.18	3.03	5.84	5.67	3.45	3.37	1.58	1.62

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Sept 18, 2002							
Corn		Soybeans		Wheat		Soybean Meal ¹	
Dec	272.50	Nov	572.00	Dec	413.00	Oct	184.40
Mr03	279.25	Ja03	576.00	Mr03	412.75	Dec	184.60
May	282.25	Mar	577.00	May	392.50	Ja03	184.40
Jul	281.75	May	575.25	Jul	360.75	Mar	183.80
Sept	266.00	Jul	574.75	Sept	361.50	May	182.40
Dec	254.25	Aug	567.50	Dec	367.50	Jul	182.10

¹ \$/ton

HAY AND STRAW (\$/cwt)								
New Holland, PA - \$/ton - Sept 16, 2002 - 92 Loads -								
Alfalfa	Timothy	Mixed	Straw	Orchardgrass	Ear Corn	Rye (bu)		
100.00-190.00	105.00-200.00	60.00-165.00	80.00-110.00	67.00-150.00	95.00-105.00	3.50-5.25		
Westminster, MD - \$/bale - Sept 16, 2002 -								
Alfalfa	Timothy	Mixed	Grass	Grass - Lg Rd	Straw			
1.70-4.60	2.60-4.00	1.70-3.20	1.25-3.00	10.00-25.00	.90-2.60			
POULTRY (Grade A) - Week Ending Sept 21, 2002 Negotiated Price, cents/lbs								
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>				
NY Wtd Avg. (Fryers)	51.08	48.50	49.30	57.87				
47.30ty Composite	56.69	56.41	55.51	61.97				
LAMBS - Westminster, MD - \$/cwt - Sept 17, 2002								
Good Ch	100-120 lbs	70.00-80.00	Good Ch	70-95 lbs	75.00-85.00	Sheep	20.00-25.00	
	122-138 lbs	62.00-70.00		40-65 lbs	75.90-89.00	Few Bucks	35.00-49.00	
TERMINAL MARKETS HOGS - Sept 19, 2002				DIRECT MARKET HOGS - Westminster, MD-Sept 17, 2002				
<u>Base Price Range (\$/cwt)</u>	<u>Carcass Basis</u>	<u>Sows (1-3)</u>	1&3 240-275 lbs 22.00-24.25					
a.m.	Base 185 lb Hog	300-449 lbs						
Eastern Cornbelt	34.98-42.39	10.00-17.77	Millsboro, DE Market Hogs - \$/cwt - Sept 17, 2002 - \$23.00					
Iowa, Minn	34.00-44.04	11.00-19.00						
FEEDER PIGS - (\$/cwt) -								
Gumboro, DE - Sept 16, 2002				New Holland, PA - Sept 18, 2002				
Head: 278 Trend: None				Head: 489 Trend: light run of feeders sharply lower.				
Under 30 lbs 20.00-50.00 50-59 lbs 20.00-33.00				12% returned to feed				
30-39 lbs 30.00-70.00 60-69 lbs 20.00-28.00				20-30 lbs 4.00-12.00				
40-49 lbs 25.00-35.00								
LIVE CATTLE FUTURES - Chicago Mercantile Exchange- (\$ cwt) - Sept 18, 2002				HOG FUTURES - Chicago Mercantile Exchange - (\$ cwt) - Sept 18, 2002				
Oct	69.72	Apr	73.27	Oct	36.50	Apr	50.50	
Dec	72.32	Jun	69.02	Dec	37.95	May	58.72	
Fb03	73.12	Aug	69.35	Feb03	44.52	Jun	60.62	
STOCKER-FEEDER CATTLE - (\$/cwt)								
Winchester, VA - Sept 16, 2002				Westminster, MD - Sept 17, 2002				
Steers	300-400 lbs	85.00-96.75	Steers	300-475 lbs	70.00- 84.00			
	400-500 lbs	74.00-86.50		500-700 lbs	65.00- 74.00			
	500-600 lbs	71.00-81.50		700-950 lbs	62.00- 68.00			
	600-700 lbs	64.00-76.50		Heifers	300-500 lbs	60.00- 70.00		
	700-800 lbs	68.00-72.00			500-700 lbs	55.00- 67.00		
Heifers	300-400 lbs	79.60-85.50	Hols Bulls	700-900 lbs	50.00- 55.00			
	400-500 lbs	66.50-75.00		#1 94-120 lbs	110.00-129.00			
	500-600 lbs	65.00-72.75		#2	80.00-110.00			
	600-700 lbs	65.50-72.50		Plainer Calves	50.00- 80.00			
	700-800 lbs	69.50-70.00		Hols Heifers #1	85-100 lbs	410.00-495.00		
				65- 85 lbs	150.00-300.00			
Lancaster, New Holland & Vintage - Week Ending - Sept 21, 2002								
Bull, Holstein	95-125 lbs	92.00-141.00	Plainer	n/a	n/a			
Heifers, Hols.	80-135 lbs	200.00-340.00	Plainer	n/a	n/a			
SLAUGHTER CATTLE (\$/cwt)								
Westminster, MD - Sept 18, 2002				Fed Heifers				
Fed Steers			HCh	1150-1400 lbs	64.00-65.00			
H-ChPr	1200-1475 lbs	64.75-67.00		1000-1150 lbs	62.00-64.00			
Ch - 2 & 3	1100-1475 lbs	63.00-65.00			59.00-60.00			
LCh Select		59.00-62.50	LCh					
Cows			Veal Calves					
Breakers		36.00-39.00	Good	80- 110 lbs	32.00-45.00			
Lean		30.00-34.00						
Thin & Light		30.00-DOWN						
Lancaster, New Holland & Vintage - Week Ending - Sept 21, 2002								
Steers, Choice 2-3	1075-1430 lbs	63.25-67.00	.50 - \$1 higher					
Heifers, Choice 2-3	1230-1340 lbs	62.00-64.50	Not established					
Cows, Breakers 75-80 pct lean		38.25-45.00	.50 - \$1 lower early; later .50 - \$1 higher					
Bulls, YG-1	1010-2075 lbs	46.75-59.00	Mostly steady; instances \$1 higher					
Vealer, Standard & Good	80- 120 lbs	20.00-42.00	Steady to \$2 higher early; later \$4 - \$10 lower					

For more information about this report, call 410-841-5740 or write: